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**Testimony of Senator Jeff Plale
Assembly Bill 654
Assembly Committee on Energy & Utilities**

Thank you Chairman Montgomery and members of the committee for your consideration of this bill.

Assembly Bill 654 is a follow up bill to clarify a budget amendment that I submitted with Representative Honadel to update how state public utility aid is calculated and paid to host communities and counties. The change that was approved in the state budget allows towns, villages, cities, and counties that host power production plants to receive state aid based upon a capacity-based formula. This change will provide for a consistent method to distribute public utility aid.

Earlier versions of our proposal looked at conducting a Department of Revenue study to impose a property tax on the general structures owned or leased by light, heat, and power companies. After reviewing the Department of Revenue administrative costs, Representative Honadel and I decided to remove the study and property tax provision from our budget amendment. This language, however, was included in the final state budget. We are asking for your support of Assembly Bill 654 to eliminate the Department of Revenue study, to return our public utility provision to its original intent.

Again, I want to thank the committee for hearing my testimony today, and I strongly urge you to support this bill. I would be happy to answer any questions you may have at this time.

